

1 Q And the monthly refresh is essentially --
2 well, it is the same thing as the initial listing
3 which publishers purchase; isn't that correct?

4 A That is correct. And the reason for the
5 monthly refresh is that is the option that the
6 publishers selected from amongst three possible
7 choices to receive. They were offered a study of two
8 or three -- or three possibilities to select a refresh
9 or an update activity, and based on the presentation
10 of the format and the price suggested, the monthly
11 refresh was the option they asked to be tariffed.

12 CHAIRMAN JOHNSON: Do you remember the other
13 options?

14 WITNESS JUNEAU: I was not a party to those,
15 but we can certainly provide the details of that if
16 you would like to have it in a late-filed exhibit.

17 CHAIRMAN JOHNSON: I would like to see that,
18 so let me go ahead and identify as a late-filed
19 BellSouth's options.

20 WITNESS JUNEAU: There were three options
21 available to the publishers.

22 CHAIRMAN JOHNSON: "Options Available to
23 Publishers." I'll identify that as Late-filed
24 Exhibit 7.

25 (Late-Filed Exhibit 7 identified.)

1 COMMISSIONER CLARK: Madam Chairman, can I
2 ask a question relative to that? It seems like it
3 would be beneficial not only to have what options you
4 were offering and the rates at which you were offering
5 it and the reasons why, or your understanding as to
6 why they weren't selected. Could that be included?

7 CHAIRMAN JOHNSON: Yes.

8 WITNESS JUNEAU: Okay. We'll include that.

9 CHAIRMAN JOHNSON: I'm sorry, Mr. Horton.

10 Q (By Mr. Horton) Let me understand, your
11 understanding is that your monthly refresh offering is
12 what Mr. Screven wants.

13 A That's not what I stated. I said the
14 publishers in the negotiations -- I did not mention
15 Mr. Screven specifically.

16 Q Did those negotiations cover Mr. Screven and
17 Direct Media?

18 A Mr. Screven was a party to some of the
19 meetings. Whether he chose to agree to that or not, I
20 can't speak for Mr. Screven, but the publishers that
21 were participating in this -- in the negotiations
22 chose that option.

23 Q All right. Let me explore the monthly
24 refresh, as well as the initial listing. If I'm a
25 directory publisher and I want to publish a directory,

1 the first thing I would get from you would be the
2 central office list, NPA-NXX listing file, correct?

3 A Correct.

4 Q And for that I would pay 4 cents per
5 listing?

6 A Correct.

7 Q All right. Let's assume we're using a
8 central office NPA-NXX of 100,000. So I'd pay you 4
9 cents times 100,000 right?

10 A Right.

11 Q Okay. Now, the monthly refresh, isn't the
12 monthly refresh simply 11 more copies of exactly what
13 I just purchased to publish my directory?

14 A It is.

15 Q So each month I'm going to get a list of
16 100,000 plus or minus, depending upon any changes,
17 right?

18 A That's correct.

19 Q And I pay what for that?

20 A 12 cents.

21 Q 12 cents?

22 A Or is it 16? (Pause) 12 cents. Well,
23 excuse me.

24 Q 16 cents, isn't it?

25 A 16. 16. I read it wrong. 16 is four

1 times.

2 Q - Is it 16 cents plus 4 cents are is it just
3 the 16 cents for --

4 A I think it is 16 cents for the whole thing.
5 The way it reads is the listing plus 11 monthly
6 refresh would be 16 cents, not 12; a total of 12.

7 Q Do I pay you 16 cents times 100,000 times
8 12?

9 A No.

10 Q What do I pay you?

11 A 16 cents times 100,000.

12 Q One time?

13 A One time.

14 Q And the 16 cents is merely a multiple of the
15 4-cent central office list, right?

16 A Right.

17 Q There's no cost study or cost basis for the
18 16 cents?

19 A Well, there is -- there is an effort to --
20 or a work effort involved in running each additional
21 listing. There's a cost involved in running it. So
22 each month it's a run of 100,000 listings.

23 Q I apologize I was trying to find something.
24 16 cents, as I understood from, I believe, some of the
25 responses to the interrogatories, is the 16 cents is

1 derived strictly as a multiple of the 4-cent central
2 office. Did you agree with that or not?

3 A That's the way the rate was derived.

4 Q Okay. Now, we can purchase the central
5 office list each month separately, couldn't we?

6 A Yes.

7 Q And that was available before this
8 proceeding got started, wasn't it?

9 A Yes.

10 Q What are you offering me in your refresh
11 file that wasn't already available?

12 A A couple of significant differences: One is
13 if you were to purchase the file individually, the
14 requirement was that a directory would be published on
15 the basis of that purchase that you were licensed for
16 one use. The idea today is if you would like to have
17 a refresh each month, then you have current data
18 available to you literally at all times, it provides
19 the opportunity not only to publish the initial
20 directory but if you would like to publish specialized
21 directories that are a subset of the total directory,
22 then you would be free to publish additional
23 directories, you'd have the opportunity to sell
24 incremental advertising potentially. The idea is that
25 there is additional value in the refresh and the

1 opportunity to sell multiple listings.

2 Q If I publish multiple additions of the
3 directory, I pay you a different rate for that, don't
4 I?

5 A Excuse me, you're right. The refresh is to
6 have a -- just to be able to have the current listing
7 information on a monthly basis. That should not have
8 included the multiple additions. That was the wrong
9 comment.

10 Q Okay. But as far as the monthly refresh, as
11 far as the information that I'm getting, there's
12 nothing in that monthly refresh that is not already
13 available through the central office listing file,
14 correct?

15 A The changed activity would be in there. You
16 would get -- you would get the activity that has
17 occurred during the month.

18 Q If I purchased a central office list from
19 you September 1st, and then I purchased another
20 central office list from you on October 1st, I would
21 be getting the same thing on October 1st through that
22 subsequent purchase of a central office list purchase
23 as I would in your monthly refresh; isn't that
24 correct?

25 A That's correct.

1 Q Okay. So what are you offering me that
2 wasn't already available through your monthly refresh?
3 As far as information is concerned?

4 A As far as information is concerned?

5 Q Yes, sir?

6 A The same information would be available
7 either way.

8 COMMISSIONER CLARK: Mr. Juneau, let me ask
9 a question. As I understand what you're saying, a
10 refresh is basically a -- new listings; everything is
11 in one document. How do you tell what is new and what
12 has changed or a difference, a change in the type of
13 service they request? How do you tell that from the
14 refresh service?

15 WITNESS JUNEAU: Commissioner, the way that
16 would be done is the publisher would have to compare
17 the listing from the prior month to the new listing
18 that he's just received.

19 COMMISSIONER CLARK: So, if there were a
20 thousand listings he has to look at each listing and
21 determine what, if any, change has taken place.

22 WITNESS JUNEAU: That's correct.

23 COMMISSIONER CLARK: In the options that you
24 offer the directory publishers, did you offer that
25 kind of option that was just simply the new

1 information?

2 WITNESS JUNEAU: Commissioner, I'm not
3 familiar with the details of those offerings and what
4 the specifics were.

5 COMMISSIONER CLARK: Well, let me ask you
6 this: If you were an independent directory publisher
7 and you simply wanted to be able to contact new people
8 that you might sell advertising to or new customers to
9 deliver your directories to, which would you prefer?

10 WITNESS JUNEAU: I would prefer to have a
11 specific list of those that had changed. That is a
12 more valuable list. And I believe that's what we'll
13 find is that the reason that the publishers choose not
14 to have an option of that nature, that is a very
15 complex and costly bit of programming to do something
16 like that. And I believe that is at the root of the
17 problem. It is a more technical and complex job.

18 COMMISSIONER CLARK: Do you think it would
19 cost more than the 12 cents you're requesting for each
20 listing with respect to the refresh option?

21 WITNESS JUNEAU: I don't know the answer to
22 that question, Commissioner.

23 COMMISSIONER CLARK: I guess -- let me ask
24 it differently. If your return on, I guess it's the
25 DPDS information, is, what did you say, 1300% --

1 WITNESS JUNEAU: That is the percentage of
2 the rate above the incremental cost.

3 COMMISSIONER CLARK: And what is it again?

4 WITNESS JUNEAU: 1300%.

5 COMMISSIONER CLARK: Okay. Do you think
6 that your costs for providing that sort of only
7 supplemental service would be more -- would eat up
8 that entire return?

9 WITNESS JUNEAU: I don't know the answer to
10 that, Commissioner.

11 COMMISSIONER CLARK: One of the things you
12 indicated in your testimony was you have concern that
13 you may be required to tariff something that nobody
14 wants.

15 WITNESS JUNEAU: To actually produce -- to
16 do the work and produce a report that no one would
17 purchase, that's correct.

18 COMMISSIONER CLARK: I agree with you that
19 we need to be cautious in that area because I think
20 there has been a case where we asked BellSouth to do
21 some sort of tariff for pay telephones and nobody took
22 the service, so I do have concerns about that.

23 But you've indicated that you think as a
24 publisher you would find that purely supplemental list
25 more valuable than a complete reproduction.

1 WITNESS JUNEAU: I think so.

2 COMMISSIONER CLARK: Then is there a reason
3 why you're not offering it?

4 WITNESS JUNEAU: The reason that I
5 understand is that there has been no demand for the
6 ones that we have presented in the format that we have
7 presented at the rate that we have proposed. And
8 without the specifics, that is the best answer I think
9 I could give on that.

10 COMMISSIONER CLARK: Will that late-filed
11 exhibit give us those answers?

12 WITNESS JUNEAU: Yes.

13 COMMISSIONER CLARK: Thank you.

14 Q (By Mr. Horton) Just as a general
15 question, do you think that possibly the prices that
16 you propose for these services might be a detriment to
17 demand or a cause the demand to be less than
18 productive or what you would like?

19 A I'm not aware of the prices so I really
20 can't answer that question.

21 Q Look, if you would, at Interrogatory No. 10,
22 which is Page 11. (Pause) Actually, Page 12, I'm
23 sorry. I was going to go look at the CD ROM directory
24 per listing. Do you have that?

25 A Yes.

1 Q The CD ROM listing is 18 cents per listing,
2 correct?

3 A Correct.

4 Q And the rationale for that is that the --
5 well, that's a multiple of another rate, too, isn't
6 it?

7 A I'm not sure of that. You know.

8 Q Do you know the source of the 18 cent price?
9 The 18 cent rate, excuse me.

10 A I guess not.

11 Q In that answer you express or -- you've
12 reviewed these responses. You didn't provide these
13 responses, but I take it that you've reviewed these
14 responses?

15 A I have reviewed the responses.

16 Q There's a concern expressed that if a DPDS
17 subscriber were to publish a CD ROM directory, it
18 could be used by their customer. There's no reference
19 to the publisher, but it could be used by their
20 customer to provide a directory assistance-type
21 service.

22 I'm not sure that I understand what that
23 concern ought to be. As long as the publisher is
24 purchasing the service and is using it, why should you
25 be concerned that their customer might not use the

1 service the way you would want him to?

2 A The idea is that used in that fashion, the
3 CD ROM provides a greater value. It can store
4 additional data. It could store, I guess, the
5 listings for the whole state of Florida. The example
6 given is that that could be placed on a network server
7 and effectively be used by many individuals to provide
8 a directory assistance-type service. It's seen as a
9 more valuable product than the listing of a paper
10 directory.

11 Q But so long as you recover the cost of
12 providing that service through your rate to your price
13 to the directory publisher, what difference does it
14 make to you as to what it can be used with afterwards
15 by a customer of the publisher?

16 A I guess in the difference of the use, I
17 can't say that, other than the fact that it is a more
18 valuable product.

19 Q Turn back over to page --

20 COMMISSIONER DEASON: Let me interrupt for
21 just a second. Do you think there's a motivation on
22 the company's part to protect this DA revenue?

23 WITNESS JUNEAU: No, Commissioner, I don't
24 see that. DA does have value; and compared to that,
25 that's true. But to state it in terms of just

1 protecting DA revenue, I wouldn't say so.

2 COMMISSIONER DEASON: It's based simply upon
3 the fact that it's more valuable to have the
4 information presented in the CD ROM format, therefore,
5 you can demand a higher market rate for information
6 that is used for that purpose?

7 WITNESS JUNEAU: That's the way I would
8 categorize it. A CD ROM, as I would view it, is more
9 valuable to the customer, just as directory assistance
10 is more valuable in the fashion it is used by a
11 customer than a printed directory. It provides an
12 alternative when that directory is not available. It
13 provides an alternative when the directory may not
14 contain the listing. In this instance the CD ROM
15 could be shared and used as directory assistance.
16 It's one possibility but it does have value as a
17 directory assistance.

18 Q (By Mr. Horton) Refer back to Page 11, if
19 you would. Have you got that? Again, with
20 Interrogatory No. 10. Do you have that?

21 A Yes.

22 Q With respect to multiple additions, again
23 that rate of 12 cents per listing is based upon value
24 received, correct?

25 A That's correct.

1 Q Now, Mr. Screven purchases a single edition
2 file. He pays 4 cents per listing, correct?

3 A Correct.

4 Q If he produces a directory, he has paid you
5 4 cents per listing for that directory?

6 A That's right.

7 Q And that recovers your cost, correct,
8 4 cents per listing?

9 A That's correct.

10 Q If he goes to the expense to extract from
11 his publication, his directory, all of the persons in
12 a particular subdivision and publishes another
13 directory for that area then he incurs those costs,
14 correct?

15 A I'm sorry, repeat that question?

16 Q Mr. Screven publishes a directory based upon
17 the subscriber list he purchases from you.

18 A Okay.

19 Q He's published a directory. He now goes to
20 the expense of extracting from that directory
21 information about individuals who live in, let's say,
22 a particular subdivision. And he publishes a
23 directory for that subdivision. Who has incurred the
24 cost associated with that subsequent publication?

25 A He would have incurred the cost.

1 Q Does BellSouth incur any cost in that
2 instance?

3 A No, they do not. Again, the pricing
4 structure on that one is based on the value of the
5 opportunity to -- I guess limited only by his creative
6 nature as to what he would like to publish, and I
7 believe it's generally accepted in the publishing
8 industry that you license a single use or, in this
9 situation, you license multiple uses. I believe
10 that's consistent.

11 Q So the more creative Mr. Screven is, the
12 more he's going to pay you?

13 A He'll pay us 12 cents whether he produces
14 two directories or any number of directories.

15 Q But if he purchased the single edition he
16 only pays you 4 cents and that already covers your
17 cost, correct?

18 A That's correct.

19 Q So if he's ingenious and figures up a way
20 that he can make more money off of that list, you want
21 to share in his ingenuity and marketing, right?

22 A It's based on the fact that that has value;
23 that there is additional value in those incremental
24 additions. That's true.

25 Q His marketing and ingenuity has value to

1 you?

2 A His use of the listings.

3 Q Okay.

4 MR. HORTON: I'm just about through.

5 Q (By Mr. Horton) I think this has already

6 been clarified, but I just want to make sure.

7 Switching to another -- with respect to the WBAR. And

8 the tariff charged to the WBAR.

9 The charge for the WBAR is .006 per listing,
10 correct?

11 A Correct.

12 Q And that's per change or per total number
13 within the exchange? And use the hypothetical of
14 100,000.

15 A It is based on the records in the exchange.

16 Q Not on the number of changes, but on the
17 total number in that exchange?

18 A That's correct.

19 Q If I purchased the WBAR and there had been
20 no changes, I pay the .006 times 100,000 to get
21 nothing?

22 A That's right. But let me expand on that a
23 little bit.

24 My understanding of the pricing structure on
25 this one was to provide a level pricing structure for

1 the publishers. Certainly that you could use another
2 denominator, such as those items that had changed, but
3 then it might vary to where the listing charge might
4 be \$1 -- I mean, the change charge would be \$1 or \$2
5 or lower. It would be simply using another
6 denominator. In certain months, then, they might have
7 an extensive number of changes. In others, there
8 might be no changes. But again, our understanding is
9 that this was based on their preference for the way
10 this would be priced.

11 COMMISSIONER CLARK: Why would the price
12 change?

13 WITNESS JUNEAU: Commissioner, it would be
14 based on the denominator. If it's based on the number
15 of changes that occurred in that central office, then
16 if that were the demand that were factored into the
17 cost and then into the rate development, rather than
18 the total number of listings in the central office, it
19 would be a much smaller demand and, therefore, a
20 higher cost in rate.

21 COMMISSIONER CLARK: I don't understand that
22 at all.

23 WITNESS JUNEAU: The denominator in the
24 development of the rates was the number of listings in
25 the central office. Had we substituted another

1 denominator in the demand, being the number of changes
2 that were anticipated over time, there would be fewer
3 changes than the total number of numbers in that
4 central office.

5 And, therefore, since you were dividing by a
6 smaller denominator, the rate would be the -- the cost
7 would be higher and the rate associated with that cost
8 would be higher.

9 COMMISSIONER CLARK: But that's based on
10 your view that the revenue you get from providing that
11 should be the same than you would have gotten if you
12 produced all of the information, a thousand listings
13 instead of hundred listings?

14 WITNESS JUNEAU: The revenue in that example
15 would remain the same. What it does is it levelizes
16 the charge to the publisher rather than having a very
17 significant charge in a month with significant
18 activity in another month in which there would be a
19 minimal charge were there were no activity. And it's
20 similar to the levelized billing on a power bill or a
21 gas bill, I guess. It levelizes the billing by doing
22 that.

23 COMMISSIONER CLARK: Is there a significant
24 variation from month to month?

25 WITNESS JUNEAU: I'm not sure how

1 significant it would be.

2 COMMISSIONER CLARK: Would you perceive that
3 in one month it might be zero and in another month it
4 might be half the number in a particular exchange?

5 WITNESS JUNEAU: I wouldn't perceive it a
6 zero. I don't know how wildly it would fluctuate but
7 I wouldn't perceive a zero.

8 COMMISSIONER CLARK: Would you agree with me
9 that the primary driver is not the difference in
10 number of difference in changes from month to month,
11 but it's notion of trying to get the same revenues out
12 of that service that you currently get by providing
13 all the numbers.

14 WITNESS JUNEAU: Commissioner, I would agree
15 that the estimate of the revenues in that scenario
16 would be the same.

17 COMMISSIONER CLARK: And when you are
18 expecting the same revenues, if you provide fewer
19 listings, necessarily, your price goes up.

20 WITNESS JUNEAU: That would be true -- well,
21 fewer listings or fewer changes.

22 COMMISSIONER CLARK: Fewer changes?

23 WITNESS JUNEAU: Fewer changes, right.

24 Q (By Mr. Horton) Mr. Juneau, let me go back
25 for a second. Except for BellSouth, where does BAPCO

1 get the information for their directories?

2 A The listing information is from BellSouth.

3 Q They don't have any other sources of
4 information for their publications?

5 A No, they do not.

6 Q Do you know if they publish directories
7 other than the White and Yellow Pages for BellSouth?
8 Do they publish specialty directories or anything like
9 that?

10 A I have no idea what other directories they
11 publish in terms of special directories other than
12 geographical.

13 Q If they were to publish a directory for the
14 same subdivision, that hypothetical subdivision I
15 referenced you a minute ago with Mr. Screven, if they
16 were to publish a directory for that subdivision, do
17 you know if their contract rates or their prices that
18 they paid to BellSouth would be any different?

19 A Be different than they are today?

20 Q Yes.

21 A I don't know. As far as I know, it covers
22 it. I don't know. As far as I know, their rates are
23 recovered. Their use of the directory is covered in
24 the agreement we have with BellSouth today, the use of
25 the listings.

1 Q So as far as you know, they pay -- the
2 financial arrangements are set, and there's no
3 adjustment regardless of how many publications BAPCO
4 may produce.

5 A I'm not aware of that financial arrangement.

6 CHAIRMAN JOHNSON: Mr. Horton, how much more
7 do you have?

8 MR. HORTON: I've got about 10 minutes.

9 CHAIRMAN JOHNSON: Staff, how much time do
10 you think you'll need?

11 MR. PELLEGRINI: 20, 30 minutes.

12 Q (By Mr. Horton) Refer, if you would, to
13 your rebuttal testimony, and specifically Page 5.
14 I've got a question for you about the change that you
15 made to that testimony.

16 A Okay.

17 Q BellSouth -- well, let me ask you this:
18 Does BellSouth have a directory on the Internet?

19 A BellSouth has a -- it's BellSouth
20 Intelligent Media Ventures. It's a subsidiary.
21 BellSouth Enterprises has a trial business directory.
22 It is not a white pages directory.

23 Q Do they purchase the -- that's not BAPCO,
24 though, that's --

25 A It's not BAPCO and it's not white pages.

1 We -- it's not directory listings. It's business
2 listings.

3 Q And they're purchasing that from you under a
4 tariff?

5 A Under the DADS tariff.

6 Q Okay. Just a couple of housecleaning items.
7 Let me go back with respect to the regional
8 negotiations. Did you participate in those
9 negotiations?

10 A No, I did not.

11 Q Would you know if those negotiations were
12 successful or whether or not they failed?

13 A You'd have to characterize that for me in
14 "failed". We provided one service as a result of the
15 negotiations, a monthly refresh.

16 Q Do you consider the negotiations
17 successfully concluded?

18 A In that regard we felt like we had provided
19 what the directory publishers had desired.

20 Q Did they tell you that's what they wanted?

21 A That's the choice they took amongst the
22 options we presented.

23 Q And those options are what we're going to
24 see in your late-filed exhibit?

25 A Yes.

1 COMMISSIONER CLARK: Mr. Juneau, is it safe
2 to say -- and you may have not answered this -- you
3 did not offer the option of simply new activity in a
4 given month?

5 WITNESS JUNEAU: We have not offered new
6 activity in a given month on an isolated basis. The
7 new activity has been included with other changes, but
8 not isolated new activity.

9 CHAIRMAN JOHNSON: What do you mean "with
10 other changes"?

11 WITNESS JUNEAU: Well, with disconnects,
12 with -- I believe, with perhaps transfers of service.
13 There were other items in there, but they would be
14 items that we would think would be useful to a
15 directory publisher.

16 CHAIRMAN JOHNSON: Let me be more specific.
17 Did you offer an option that once you purchased the
18 complete listings, that each month you could get only
19 those new activities or changes in service or any
20 change at all, any new listings and any changes to
21 listings or service?

22 WITNESS JUNEAU: Commissioner, I think I'll
23 have to say that will be a part of the late-filed
24 exhibit. I'm not sure of the content of what was
25 offered at that time, but let me say with regard to

1 this, we would be very glad to provide something of
2 that nature.

3 The fact that BAPCO gets all of the
4 information continues to come up, that we provide
5 BAPCO something that we do not provide to the other
6 directory publishers. BAPCO has invested a great deal
7 of money in the programming and the equipment to
8 decipher that.

9 We would be willing to produce some type of
10 a product of that nature if we knew that the
11 publishers would be willing to buy it at the price
12 that would cover the costs and a reasonable
13 contribution, which we've stated. But this is a
14 unique opportunity for us. We -- we're not opposed to
15 doing this.

16 We're not -- we don't feel like that we
17 would be anticompetitive to the directory publishers.
18 We have a responsibility to provide to them as well,
19 and we're in the -- we have the opportunity to sell
20 both to BAPCO and to the directory publishers, and
21 we're very, very willing to do. It's not as if we
22 don't want to, we just can't seem to agree on the
23 terms.

24 COMMISSIONER CLARK: Let me ask you
25 specifically, because I hear in your testimony a

1 conflict. You initially say you would be willing to
2 offer that to them based on cost plus a reasonable
3 contribution.

4 WITNESS JUNEAU: Cost plus reasonable
5 contribution and the demand that would allow us to
6 recover those costs in a reasonable amount of time.

7 CHAIRMAN JOHNSON: Now, would your cost at
8 all be based on what you think the market price is?

9 WITNESS JUNEAU: Would our costs be based on
10 the market price or ---

11 COMMISSIONER CLARK: I'm sorry. Would your
12 rate be charged on the market?

13 WITNESS JUNEAU: Our rate would be based on
14 what we perceive the value of that service to be above
15 the cost.

16 COMMISSIONER CLARK: Sounds to me like
17 you're saying market, whatever the market will bear
18 you will charge for that service just like you
19 apparently do for the initial listings.

20 WITNESS JUNEAU: Yes, Commissioner. I think
21 that's what I would characterize it to be.

22 COMMISSIONER CLARK: So it is not cost plus
23 a reasonable contribution?

24 WITNESS JUNEAU: We feel like it is a fair
25 rate, if I can speak in our defense to that. It is of